

Pension Transfer Matrix & FAQ

| To: From: | PRB | PRSA | Personal Pension | Company Pension | Overseas - Non UK ⁽⁴⁾ | Overseas - UK ⁽⁴⁾ |
|---|-------------------|--------------------|-------------------------|------------------------|---|-------------------------------------|
| PRB | Yes | No | No | Yes | No | Yes ⁽¹⁾ |
| PRSA | No | Yes | No | Yes | Yes ⁽¹⁾ | Yes ⁽¹⁾ |
| Personal Pension | No | Yes | Yes | No ⁽²⁾ | No | No |
| Company Pension | Yes | Yes ⁽³⁾ | No | Yes | Yes ⁽¹⁾ | Yes ⁽¹⁾ |
| Overseas - Non UK ⁽⁴⁾ | No | Yes | Yes | Yes | | |
| Overseas - UK ⁽⁵⁾ | No ⁽⁵⁾ | No ⁽⁵⁾ | No ⁽⁵⁾ | No ⁽⁵⁾ | | |

(1) Provided receiving scheme meets certain requirements, see [page 6](#).

(2) Personal Pension can transfer to PRSA which can then transfer on to a company pension

(3) Certain restrictions apply see [pages 2 & 3](#).

(4) Certain restrictions may apply, see [page 6](#).

(5) Irish Life's pensions are not registered with HM Revenue & Customs in the UK as QROPS and therefore cannot accept UK pension transfers, see [page 6](#).

Company Pension Transfer to PRSAs

Transfers are only allowed if the member has less than 15 years service in the pension scheme with the employer or with any associated employer and either

- The scheme is being wound up, or
- The member is leaving service

Certificate of Benefit Comparison

A certificate of benefit comparison and a written statement as to why a transfer is or is not in the interest of the member must be provided where

- The transfer value is greater than €10,000, and
- The scheme is not being wound up

The certificate of benefit comparison must be given to the member before the transfer from the company pension to the PRSA can proceed.

Irish Life will only accept cases requiring certificates of benefit comparison where the transfer is coming from a defined contribution scheme. The certificate of benefit comparison must be produced by a nominated actuarial consultant, please see [page 4](#) or contact your account manager for more information.

Irish Life will not accept transfers from Defined Benefit schemes where a certificate of benefit comparison is required.

More detail can be found in the table below.

| Company Pension to PRSA | Transfer Allowed? | Certificate of Comparison |
|---|-------------------|---------------------------|
| Where the member is leaving service and has more than 15 years service in company schemes with the employer | No | n/a |

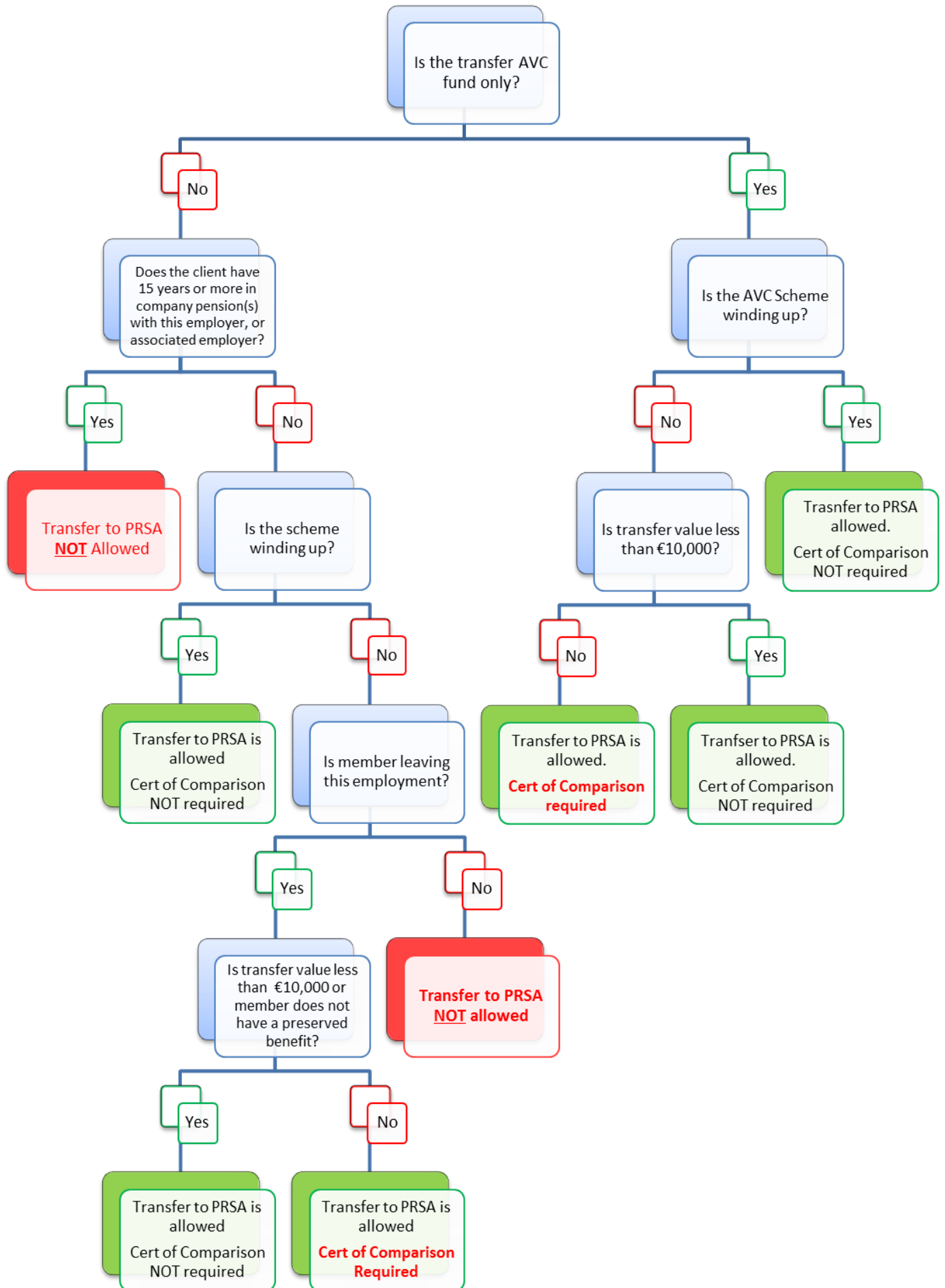
Where the member has less than 15 years service in company schemes with the employer, and

| | | |
|--|------------|------------|
| Transfer value is less than €10,000 & the member has left service | Yes | Not needed |
| The scheme is being wound up (no requirement for the member to have left service) | Yes | Not needed |
| Transfer represents refund of members contributions | Yes | Not needed |
| Transfer represents member's accrued benefits where member has less than two years scheme service and has no preserved benefit under Pensions Act 1990 | Yes | Not needed |

Where the member is leaving service and has less than 15 years service in company schemes with the employer, and

| | | |
|---|--|--|
| Transfer from a <u>defined contribution</u> scheme where value is greater than €10,000 and scheme is not being wound up | Yes | Yes |
| Transfer from a <u>defined benefit</u> scheme where value is greater than €10,000 and scheme is not being wound up | Irish Life cannot accept transfer | Yes But Irish Life cannot accept transfer |

Company Pension to PRSA Flowchart



Process where Certificate of Comparison Required

1. Broker

- Once decision is made to transfer from a DC scheme to an Irish Life PRSA the Broker contacts one of the nominated actuarial consultants listed below to produce a Certificate of Comparison and written statement
- Broker provides actuarial consultant with required information
- Broker and client completes Irish Life PRSA application and Transfer In forms and holds on file awaiting certificate of comparison

2. Actuarial Consultant

- Produces certificate of comparison and returns signed copy to Broker

3. Broker

- Broker goes through certificate of comparison and written statement with client
- Broker produces suitability letter for transaction and provides to client
- Broker and client signs certificate of comparison and written statement
- Broker gives client original certificate of comparison and written statement
- Broker submits fully completed PRSA application, transfer in form and copy of signed certificate of comparison and written statement to Irish Life

4. Irish Life

- Pensions New Business will process the case as normal
- If Pensions New Business receives the application without all requirements they will contact the relevant parties.

Actuarial consultants nominated to produce certificates of comparison for Irish Life Retail

Lane Clarke Peacock
Office 2,
Grand Canal Wharf
South Dock Road
Dublin 4

Contact: John Lynch
01 614 4393 or john.lynch@lcpireland.com

Joseph G. Byrne & Sons Consulting Actuaries
28 Dale Road,
Kilmacud,
Stillorgan,
Co Dublin

Phone: 01 288 1618
Fax: 01 278 2748
Web: www.byrneactuary.com

Please Note: This applies to transfers to Irish Life Retail PRSAs only.
This process may change in the future and is at Irish Life's discretion.
Irish Life will not accept transfers from defined benefit schemes which require a certificate of benefit comparison.

Company Pension Transfer Options

| | Staying in old employer's scheme | Transferring to new employer's scheme | Transfer to Personal Retirement Bond | Transfer to a PRSA |
|---|---|---|---|--|
| Retirement Lump Sum Calculations | 1) Lump sum based on salary & service with old employer. or 2) 25% of fund option available if old employer's scheme is DC | 1) Lump sum based on salary and service with new employer, plus an additional lump sum calculation based on the salary & service with old employer. This additional calculation should be no greater than if the member had remained in the original scheme. or 2) 25% of the fund option is available if new employer's scheme is DC | 1) Lump sum based on salary and service with old employer or 2) 25% of fund option available | 1) No option for lump sum to be based on salary and service with old employer. 2) Retirement lump sum is based on 25% of the fund. |
| Availability of ARF options | Yes – if scheme was a DC scheme whose rules allow employees to avail of ARF options Yes – if member was a 5% director No – if scheme was a DB scheme | Yes – if scheme is a DC scheme whose rules allow employees to avail of ARF options Yes – if member is a 5% director No – if scheme is a DB scheme | Yes – ARF options are now available on all PRBs irrespective of whether they came from a DB or DC scheme | Yes – ARF options available |
| Option to take benefits at different times | Benefits from old employer's scheme could be taken at a separate time to benefits from a new employer's company scheme (if any) | Combined benefits must be taken at the one time | Benefits from PRB could be taken a separate time to benefits from new employer's company scheme (if any) | Benefits from PRSA could be taken at a separate time to benefits from new employer's company scheme (if any) |
| Early Retirement Rules | Depends on scheme rules, however generally early retirement will be available from age 50 | Depends on scheme rules, however generally early retirement will be available from age 50 provided member is retiring from the new employer | Generally early retirement will be available from age 50, unless trustees of old employer's scheme put a restriction on the PRB preventing early retirement before the old scheme's NRA | Available for employees from age 50 provided member is retiring from his current employment. No early retirement option before age 60 for the self employed Retirement benefits can be taken from age 60 without leaving service |
| Death Benefits | Full value of preserved benefit paid to estate (assuming over 2 years relevant service) | 4 times salary with new employer, plus a return of value of employee contributions / AVC. No additional allowance for value transferred from old employer's scheme | Full value of preserved benefit paid to estate (assuming over 2 years relevant service) | Full value paid to the estate |
| Trustee | The benefits remain in trust under the old employer's scheme, and the trustees of the old scheme remain responsible for the benefits | The benefits are held in trust under the new employer's scheme, and the trustees of the new scheme are responsible for the benefits | The benefits are held under a contract with the life office. The member is the policyholder | The benefits are held under a contract with the PRSA provider. The member is the policyholder. |
| Preserved Benefit / Refund Option | If the member had more than 2 years of scheme service then he qualifies for preserved benefits under the Pensions Act 1990 and no refund option is available | If member had more than 2 years service with the old employer then he immediately qualifies for preserved benefits in respect of the new employer's scheme and no refund option is available | Refunds are not permitted to either the employer or member | Refunds are generally not permitted. Refunds are only allowed where the value is less than €650 and no amount has been paid into the PRSA in the previous 2 years. |

This is a summary of the impact transferring pensions will have on an individual's options at retirement or on death and may not cover all circumstances. This has not been prepared based on the financial needs or objectives of any particular person, and does not take account of the specific needs or circumstances of any person.

Overseas Transfer Rules

Overseas Non-UK Pensions Transferring into Ireland

PRSAs, Personal Pensions and Occupational Pension schemes can accept transfers from overseas pension schemes provided the following requirements are met

1. The overseas pension scheme / policy facilitates the transfer
2. The relevant regulatory authority in the transferring country approves the transfer
3. The individual is an Irish tax resident.

Each country will have their own requirements which must be met before they will allow any transfers, these will have to be checked with the administrator or trustee of the overseas pension arrangement.

Overseas UK Pensions Transferring into Ireland

HM Revenue & Customs (HMRC) in the UK require that pensions which receive UK transfers are registered with them as a Qualified Recognised Overseas Pension Scheme (QROPS).

Irish Life does not have any pensions registered with HMRC as QROPS and therefore **cannot** accept pension transfers from the UK or from a non-UK pension that previously received a UK transfer requiring QROPS.

Transferring Irish Pensions Overseas

Occupational pension schemes and PRSAs can be transferred overseas provided the following requirements are met

1. The benefits provided by the overseas arrangement are 'relevant benefits' as defined in Section 770 of the Taxes Consolidation Act 1997.

"relevant benefits means any pension, lump sum, gratuity or other like benefit –

- (a) given or to be given on retirement or on death or in anticipation of retirement, or, in connection with past service, after retirement or death, or
- (b) to be given on or in anticipation of or in connection with any change in the nature of the service of the employee in question,

but does not include any benefit which is to be afforded solely by reason of the death or disability of a person resulting from an accident arising out of his or her office or employment and for no other reason"

2. The overseas arrangement has been approved by the appropriate regulatory authority e.g. The Revenue or Financial Services Authority in the overseas country
3. A fully completed Revenue Overseas Transfer Declaration

For transfers within the EU: the overseas scheme must be an Institutional for Occupational Retirement Provision (IORPs) within the meaning of the EU Pensions Directive. This effectively means that the overseas scheme must be an occupational pension scheme. The scheme administrator must also be resident in an EU Member State.

For transfers outside the EU: the transfer can only be paid to a country in which the member is currently employed.

Tax due on Overseas PRSA Transfers: Any PRSA that does transfer overseas will be liable to income tax, PRSI and USC under Section 787G of the Taxes Consolidation Act 1997. This tax is deducted before the transfer takes place.

Personal Retirement Bonds can transfer to the United Kingdom if the conditions above are met. PRBs cannot be transferred to any other overseas country.

Irish Life is not authorised to conduct business outside of the Republic of Ireland or to provide financial advice outside the Republic of Ireland. Only those authorised by the appropriate authority in the overseas country may give advice on pensions or investments in that country